




Government of the District of Columbia
Department of Insurance, Securities and Banking

Stephen C. Taylor
Commissioner

BULLETIN
19-BB-01-02/25

**TO: STUDENT LOAN SERVICERS SERVICING STUDENT
EDUCATION LOANS IN THE DISTRICT OF COLUMBIA**

FROM: STEPHEN C. TAYLOR, COMMISSIONER 

SUBJECT: LICENSING PROCEDURES FOR STUDENT LOAN SERVICERS

DATE: FEBRUARY 25, 2019

This Bulletin applies to student loan servicers servicing student education loans in the District of Columbia and provides information and guidance on the Department of Insurance, Securities and Banking's (Department) licensing procedures.

Pursuant to the Decision in *Student Loan Servicing Alliance v. District of Columbia, et al.*, Civil Action No. 18-640 (D.D.C. 2018), servicers that have a contract with the United States Department of Education to service Federal Direct Loan Program (FDLP) and government-owned Federal Family Education Loan Program (FFELP) student education loans are not required to be licensed by the Student Loan Ombudsman Establishment and Servicing Regulation Amendment Act of 2016 (the Act). However, a student loan servicer that services non-federally owned (*i.e.*, private or commercially-owned FFELP) loans must obtain a license to service those loans and follow the provisions of the current statute and regulations.

According to 26-C DCMR § 3023.1, the annual assessment fee is calculated based on the number of District borrowers serviced by a student loan servicer. A servicer shall calculate and pay the assessment fee based on the number of borrowers it services who have one or more non-federally owned loans. A servicer's failure to pay the assessment shall constitute a violation of the Act and may preclude that servicer from maintaining a license to service non-federally owned loans in the District.

Servicers should contact the Department by telephone at (202) 727-8000 or in writing if they have questions about this Bulletin.